Volunteer Income Tax Assistance Grant Program
Frequently Asked Questions

Category: Service Provided

Updated 07/01/2009

1. *What is the population target? Must an organization include other specific targets such as disabled or elderly?*

   Organizations applying for VITA grants must serve the low income population. However, programs may further focus on additional populations within low income, such as elderly, disabled, non-urban, or those having limited English proficiency skills. Refer to the introduction in Publication 4671, page 1.

Updated 06/01/2009

2. *Who are the targeted underserved populations?*

   - Low-income (in general)
   - Low-income limited English proficient
   - Low-income elderly
   - Low-income disabled
   - Low-income Native Americans
   - Low-income non-urban

   The definition of low-income is based on the maximum Earned Income Tax Credit amount for that year. The maximum EITC adjusted gross income for tax year 2008 was $41,646.

3. *Is there an easy way to know where service coverage is lacking?*

   Use of available census data can be very helpful in determining the area of focus needed for your geographic coverage. Please refer to Publication 4671, page 14 for additional information.

Updated 08/19/2008

4. *What types of tax returns can be prepared by a grantee?*

   Grantees can prepare basic individual tax returns (1040, 1040A and 1040EZ) for low income taxpayers. Low income means adjusted gross income at or below the maximum EITC income limit. However, volunteers can only prepare returns within the scope of their training and certification level.

5. *My coalition address is in a location with many other VITA sites, but I expect to expand to several surrounding counties without sites. Will the address of the main coalition exclude us from consideration because there are already sufficient sites present?*

   No. The plan is to cover not only existing but also planned sites. The applicant's business address is not under consideration (unless it is one of the planned sites).

6. ***Are the grant funds only for new VITA sites?***

No. Grant funds can be used to expand existing VITA sites as well.

7. ***What data will be used to determine the underserved population?***

The Grant Program Office will use census information, tax return filing (2005), and program information that demonstrates by county, state, Zip, etc. the percentage of coverage for the underserved populations targeted by our VITA Grant Program. This data also shows current sites and their activity.

For more information, please contact the grant office at: Grant.Program.Office@irs.gov

8. *What research is available for applicants from the local SPEC office?*

The SPEC local territory offices have access to the following databases, including instructions for use.

- SPEC US Census Custom Database (2000 Census)
- SPEC TY 2005 Return Database
- SPEC TY 2006 EITC Claimants (Jan-June)

No other databases are available from SPEC. We do not anticipate having more current information before the application due date.

NOTE: The IRS estimates that nationally between 75 to 80% of all eligible taxpayers receive the EITC – meaning 20-25% do not get the Credit they deserve. At this time, we do not have state level (or lower level demographic) estimates for EITC participation. We also caution against applying the national estimate to state level data to determine participation at the state level due to the unreliable results that may be produced.